

# EXECUTIVE SECRETARIAT

## Routing Slip

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20	AD/EON	✓			
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Remarks:

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DCI  
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Executive Secretary

*5/18/83*  
Date



OFFICE OF THE SECRETARY OF THE TREASURY  
WASHINGTON, D.C. 20220

May 18, 1983

Executive Registry
83-2172/3

MEMORANDUM FOR THE VICE PRESIDENT  
THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE  
THE SECRETARY OF AGRICULTURE  
THE SECRETARY OF COMMERCE  
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
CHAIRMAN, COUNCIL OF ECONOMIC ADVISORS  
ASSISTANT TO THE PRESIDENT FOR  
NATIONAL SECURITY AFFAIRS  
ASSISTANT TO THE PRESIDENT FOR POLICY DEVELOPMENT  
UNITED STATES TRADE REPRESENTATIVE  
✓ DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT Senior Interdepartmental Group on International  
Economic Policy (SIG-IEP)

Attached are papers on public diplomacy aspects of the Williamsburg Summit which were prepared by the Sherpa team and Ambassador Rentschler's office for the SIG-IEP meeting to be held Thursday, May 19, at 3:00 p.m., in the Roosevelt Room.

*for* *Quillie Dickinson*  
David E. Pickford  
Executive Secretary

Attachment

U.S. PRIORITIES FOR THE 1983 ECONOMIC SUMMIT  
OF INDUSTRIALIZED NATIONS

President Reagan will host the ninth annual Economic Summit in Williamsburg, Virginia, May 28 - 30, 1983. The President is looking forward to the Summit with four priorities in mind:

I. Mark the real progress that has been achieved in beginning the economic recovery:

-- Economic recovery is underway in the United States.

-- Some other Summit countries--UK, Germany, and Japan--are experiencing improved economic circumstances.

-- The Summit countries' economic policies are more on a converging path than they have been in some time.

-- Confidence is growing that the recovery will spread to other industrial countries and the developing countries.

II. Make clear that only a sustained recovery can help the Summit and other countries, especially in Europe where unemployment has increased for eleven straight years, and in the developing countries where heavy debt obligations will persist for the rest of this decade.

-- Artificially stimulating the recovery may only increase expectations in inflation, which already remain high because of lingering concerns about government spending and excessive money creation.

-- Acting with steadiness and consistency across a range of policy areas that exploit linkages between the domestic and international economies and reinforce the impetus to growth means:

- Bringing inflation down in all countries so as to achieve greater stability in exchange rates.

- Reversing recent protectionist measures so growth can spread to other nations, both industrial and developing.

- Supporting the international financial system so as to maintain vital trade, to enhance recovery in the developed world through exports and to provide markets for the heavily indebted countries.

-- A sustained recovery requires a longer-term perspective to guide current domestic policy actions and to improve the international trading and financial system.

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- Encouraging convergence of domestic economic performance around low inflation and higher output in a medium-term perspective (two-three years) thereby ensuring greater international monetary stability.

- Continuing ad hoc discussion of the relationships between trade and financial issues to encourage, over time, further liberalization of trade in the GATT, particularly with developing countries, and to seek improvements in the international financial system.

- Continued emphasis on fundamental adjustments in both industrial and developing countries to adapt new technology, retrain workers, and reduce inefficiency.

III. Stress that if the recovery is to be a sustained one, bringing real economic growth and increased employment, we must avoid the lure of quick fixes and single solutions to complex problems. In particular, we must avoid a new round of world-wide inflation and rising interest rates.

IV. Secure broad recognition that the concern of the Summit countries with economic progress is not primarily a matter of material gain, but a reflection of the basic shared values of these countries of individual freedom and economic opportunity and an essential element of their security.

-- Economic progress and cooperation reinforce security commitments to maintain peace and defend freedom.

-- The common approach taken by the allies to East-West economic relations in the IEA, OECD and NATO is good evidence that this recognition is growing.

-- In the interest of the free world's security, we will work with our allies to restrict the flow of high technology products and knowledge having a clear and important military application to the East.

-- The work of the Summit does not begin nor end in Williamsburg; it is part of a process which focuses on longer-term strategies and which has direct relevance to the concerns of the "successor generation."

THE WHITE HOUSE

WASHINGTON

## WILLIAMSBURG ECONOMIC SUMMIT

May 28-30, 1983

## Framework for Public Affairs Strategy

I. Objectives/Perceptions--- Primary Perception

- The President as leader of vision, whose policies spearheaded U.S. recovery and help strengthen the West as a whole (Reaffirmation of U.S. Leadership Role)

--- Secondary Perceptions

- Shared values and objectives of the industrial democracies far outweigh their differences
- Grounds for international optimism abundant despite continuing complexity of economic problems
- Williamsburg a useful consultative link between Western economic concerns and security imperatives

II. Key audiences--- U.S.

- specialized press (Business Week, Fortune, WSJ, etc.)
- general press (nets, wires, major dailies, national weeklies)
- Congress (Percy, Hamilton, Mathias)
- major interest groups (AFL-CIO, Business Roundtable, Business Council, NAM, etc.)

--- Foreign

- most influential media (USIA lead)
- non-media opinion leaders (USIA lead)

### III. Substantive Priorities (Summit Agenda Items)

- durable economic recovery, prosperity, and jobs are achievable through
    - anti-inflationary policies, sustained growth
    - free/fair trade, long-term debt management
    - viable international financial system
    - sound East-West economic relations
- (in addition to the above topics, possible political discussion might focus on Poland, Afghanistan, defense/arms issues, CSCE/Madrid, Central America, etc.)

### IV. Major public affairs themes to support substantive priorities

- Williamsburg is a "people-oriented" Summit:
  - popularly elected leaders are determining the agenda, not bureaucrats ("top-down")
  - emphasis on jobs, on bread-&-butter issues that matter to everybody
  - informality of atmosphere and no-frills environment will promote freer discussions
- Williamsburg coincides with marked improvement in U.S. economy
- the name of the Williamsburg game is interrelationships and linkage; this is not a single issue summit (integrated view of domestic and international aspects of the world economy)
- the Summit Partners will stress strategies (i.e., long-term as well as short-term approaches to world economic problems)
- Williamsburg spurs important work already going forward in special fora (OECD, IEA, COCOM, NATO)
- the Summit will seek greater convergence of domestic economic policies toward low inflation

- Allied leaders intend to come to grips with long-term management of international debt problems (access to markets, need for adequate international finance, etc.)
- rejection of protectionism
- economic vitality in the Summit countries is an essential element of Western security
- Superb logistical and administrative organization of Williamsburg Summit itself reflects dynamic U.S. leadership

CHECKLIST OF POSSIBLE PUBLIC AFFAIRS PROBLEMS

General: Ho-hum Summit, papering over key issues, reaching no decisions while millions are jobless, other economic crises abound, etc.

Macro: Skepticism about durability of economic recovery; criticism of high US interest rates and massive budget deficit.

Trade: Gap between rhetoric and reality - US preaching free trade but practicing protectionism; Mondale, et al. faulting Administration for not protecting American workers.

Finance: Failure to bolster fragile international system or address risk of new LDC debt crisis; concern that high US dollar hurts American trade competitiveness.

North-South: No help for crying needs of LDC's; limp leadup to UNCTAD VI.

East-West: Possible repeat of Versailles; criticism of Export Administration Act.

France: Mitterrand wild card (call for new Bretton Woods Conference, blame US for his domestic problems).

UK: Thatcher pre-election spoiler (UK 2.5% debt-to-GNP ratio lower than US 10% ratio).



May 18, 1983

PROPOSED MEDIA EVENTS  
PRE-SUMMIT

Wednesday, May 18

-- Shultz interview with Business Week

ACTION: State

-- Foreign Press Center briefing: Regan.

ACTION: Treasury

Thursday, May 19

-- RR: Interview with Helen Thomas.

ACTION: Gergen/Speakes

-- Roosevelt Room columnists briefing: Shultz/Regan.  
(or Friday, May 20)

ACTION: Gergen/Small

Sunday, May 22

-- ABC "Brinkley Show": Secretary Regan.

ACTION: Treasury

Monday, May 23

-- Background briefing for specialists (at WH): Shultz/Regan/Wallis,  
Nau.

ACTION: Gergen/Allin/

Tuesday, May 24

-- General briefing for WH and National Press Corps (on camera):  
Regan/Shultz.

ACTION: Gergen/Speakes/  
Allin

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Thursday, May 26

- RR: Interview with foreign TV from six participating countries. -

ACTION: Gergen/Allin

- Shultz speech to Foreign Policy Association.

ACTION: State

- RR: Meeting with PM Fanfani of Italy.

Friday, May 27

- RR: Meeting with PM Nakasone of Japan.

- RR: Interview with select WH print and TV press (embargoed for Sunday).

ACTION: Gergen/Speakes

- Option: RR interview with foreign print press (embargoed for Sunday).

ACTION: Gergen/Allin

- RR: Departure Statement from South Lawn.

ACTION: Gergen

- CBS "Morning News": Secretary Shultz.

- NBC "Today Show": Secretary Regan.

Saturday, May 28

- RR: Radio speech on summit (pre-taped Friday).

- RR: Bilateral with President Mitterand of France (Williamsburg)

- RR: Greetings to incoming heads of state (Williamsburg).

In Addition:

-- Press background book to be completed.

ACTION: -Allin, Rentschler

-- Op-ed pieces to be prepared, distributed to press.

ACTION: Rentschler/Small

-- Radio interviews, major call in shows.

ACTION: Small

-- Individual interviews with key administration officials.

ACTION: Bistany

-- Theme papers, GIST papers to be completed.

ACTION: Rentschler